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#### STATE OF CALIFORNIA ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

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In the Matter of: Petition to Amend the Carlsbad Energy Center Project Docket No. 07-AFC-06C

STAFF'S OBJECTIONS AND RESPONSES TO ROBERT SIMPSON'S REVISED DATA REQUESTS

On October 29, 2014, Intervenor Robert Simpson filed *Carlsbad Energy Center Project Amendment (07-AFC-6C) Data Requests, Set 1 (Data Requests)* addressed to the Petitioner. On December 15, 2014, Mr. Simpson filed *Response of Robert Simpson to CEC Staff Objections and Responses to his Data Requests (Revised Data Requests)* in which he asks again Data Requests 31 and 32 and "revised" Data Requests 34, 39, 47 and 57.

## **General Objections**

California Code of Regulations, title 20, section 1716 states in part:

(d) Any party may request from a party other than the applicant information which is reasonably available to the responding party and cannot otherwise be readily obtained, and which is relevant to the proceeding or reasonably necessary to make any decision on the notice or application. All such requests shall state the reasons for the request.

(e) All requests for information shall be submitted no later than 180 days from the date the commission determines an application is complete, unless the committee allows requests for information at a later time for good cause shown.

Staff continues to object to Mr. Simpson's "revised" requests as stated in its objections to Mr. Simpson's original data requests filed on November 14, 2014. First, the "revised" data requests include questions that are essentially the same, if not identical, to the original set of data requests. Second, Mr. Simpson filed his *Revised Data Requests* after discovery closed on October 29, 2014, and without petitioning the Committee to file late for good cause; therefore, they are untimely. Without waiving any of Staff's

original or current objections, Staff answers Mr. Simpson's *Revised Data Requests* as follows:

## Data Request No. 31:

31. Has the Applicant examined the value of underground carbon sequestration, including the value it might provide in offsetting the cost of participating in the state CO2 cap and trade scheme as well as the value of increased electricity sales from preferred position in queue? If so, what did the Applicant find?

**Staff's Response**: Without waiving Staff's objections above, Staff has not analyzed the efficacy, costs, or value of carbon capture and storage (CCS) for the amended CECP, nor has Staff evaluated CCS effect on a "preferred position in the queue". However, the amended CECP, as a participant in the state's CO<sub>2</sub> cap and trade market, would have the option to use CCS to minimize its carbon liabilities in the cap and trade market if the technology becomes commercially available for natural gas power plants. The owner's decision to do so would be based on projected operations and carbon costs. Staff does not expect there to be any opportunity for a power plant that operates to provide peaking power to either use CCS to reduce carbon dioxide emissions or to provide sporadic carbon dioxide or heat sales to nearby farms or businesses.

If such uses were to become options, the project owner would have to file a project amendment to implement CCS equipment and processes, including any potential carbon dioxide or heat sales to local farms and businesses.

# Data Request No. 32:

32. Have nearby farm owners and management been surveyed to determine if they would accept heat or carbon dioxide for intensified farming methods? Has the Applicant surveyed nearby farm owners and management to determine under what terms they would participate in algae farming for bio-sequestration of greater amounts of, what would otherwise be, air pollutants? If so, what did the Applicant find?

**Staff's Response**: Without waiving Staff's objections above, please see Staff's Response to Data Request 31.

#### Data Request No. 34:

33. Please describe how much on site solar could be developed in conjunction with the facility if all practicable surface area on buildings, in the parking areas, and elsewhere on-site are covered by solar panels and the extent to which this would impact air quality and greenhouse gas emissions from the site.

**Staff's Response**: Without waiving Staff's objections above, Staff did not analyze onsite solar because it is not part of the Project Description nor could it qualify as an alternative to this project.

## Data Request No. 35:

34. Please explain whether the effectiveness of varying amounts and types of energy storage can be used to reduce air quality and greenhouse gas emission impacts

**Staff's Response**: Without waiving Staff's objections, Staff did not analyze energy storage because it is not part of the Project Description or an alternative to this project.

## Data Request No. 39:

39. Has the pollution and potential pollutant accumulation in the lagoon been studied? If so, what were the results?

**Staff's Response**: Without waiving Staff's objections, Staff has not studied the pollution in the lagoon or the potential for pollutant accumulation in the lagoon. Staff notes that the amended CECP's permitted air quality emissions would be a net reduction of criteria pollutant emissions that could impact the lagoon compared to the licensed CECP, which would allow continued operation of Units 4 & 5 at the existing Encina Power Station. Furthermore, actual emissions should be even less than permitted levels due to differences between actual hours of operation and permitted hours of operation.

Best practices, such as storm water pollution prevention plans (SWPPPs) are used to control direct releases into local bodies of water such as the lagoon.

#### Data Request No. 47:

40. Has a survey of the gas pipeline intended to serve CECP been conducted in order to help ensure pipeline safety and health of the public? If so, what were the findings of the survey?

**Staff's Response**: Without waiving Staff's objections above, the Safety and Enforcement Division of the California Public Utilities Commission is responsible for regulating gas pipeline safety and inspections. Staff did not conduct a survey of the gas pipeline.

#### Data Request No. 57:

57. If grid stability requires the facility to operate more than the permitted amount, what will happen?

**Staff's Response**: Without waiving Staff's objections above, the amended CECP could not exceed permitted operating hours, permitted air emission limits, and/or permitted consumable levels (e.g., water use). As unit operations of an operating facility can vary day to day and year to year, Staff cannot determine which conditions of certification would be the limiting one or ones. Nothing precludes the project owner from minimizing emissions during startups or normal operations, or minimizing some other consumptive use like water, to extend facility annual operations if during the year it was expected that the amended CECP could provide, and receive payments for, grid support by operating late into the calendar year.

DATED: December 29, 2014

Respectfully submitted,

<u>/s/ Kerry Willis</u> KERRY A. WILLIS Senior Staff Counsel